

## Message Text

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73

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 AEC-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-06 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-04 SP-02 SS-15 STR-04 TRSE-00 FRB-01 PA-02

USIA-15 PRS-01 /107 W

----- 108297

R 042101Z NOV 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 4901

INFO AMCONSUL CALGARY

AMCONSUL MONTREAL

AMCONSUL TORONTO

UNCLAS OTTAWA 3598

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: ENERGY: SARNIA-MONTREAL PIPELINE EXTENSION

REF: OTTAWA 3364

1. IN RESPONSE TO OCT 28 HOUSE OF COMMONS QUESTIONING WHETHER GOC WOULD BE WILLING ITSELF TO BUILD THE SARNIA-MONTREAL PIPELINE EXTENSION AND PUT IT UNDER THE JURISDICTION OF THE PROPOSED CANADIAN PETROLUEM COMPANY, ENERGY MINISTER MACDONALD SAID THAT GOC HAS "TAKEN VERY CAREFUL NOTE OF THE COOLING ARDOR OF INTERPROVINCIAL PIPELINES" AND THAT GOC CONSTRUCTION OF THE LINE IS ONE POSSIBILITY "WE HAVE INDEED BEEN CONSIDERING."

2. VARIOUS PRESS REPORTS INDICATED THAT VARIOUS INTER-PROVINCIAL (PIL) PROPOSALS FOR FINANCING THE LINE ARE UNDER ANALYSIS BY THE DEPARTMENT OF ENERGY, MINES AND RESOURCES AND THAT A MACDONALD-PIL MEETING IS IMMINENT.  
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AN ADDITIONAL OPTION REPORTEDLY UNDER STUDY WOULD HAVE THE

GOC BUILD THE LINE AND EVENTUALLY SELL IT TO IPL ACCORDING TO A PRE-ARRANGED TIMETABLE, USING REVENUE FROM OIL MOVED THROUGH THE LINE AND SOLD BY IPL OVER A PERIOD OF YEARS.

3. ANY OF VARIOUS OPTIONS UNDER CONSIDERATION, HOWEVER, DOES SOME VIOLENCE TO GOC ASSURANCES WHEN LINE EXTENSION WAS FIRST PROMISED BY OTTAWA THAT NO FEDERAL FUNDS WOULD BE REQUIRED FOR THE PROJECT. MEANWHILE, LOCAL PRESS REPORTS THAT WITHIN NEXT FEW WEEKS \$37 MILLION WORTH OF STEEL PIPE FOR THE PROJECT WILL BEGIN TO ROLL OFF PRODUCTION LINES. (THIS PIPE HAD BEEN ORDERED BY CANADIAN COMMERCIAL CORPORATION TO ENSURE TOP PRIORITY IN TIGHT STEEL SUPPLY SITUATION EARLIER IN 1974 AND WAS TO BE RESOLD TO THE BUILDER (PIL) AT COST.) PORTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, PRESS COMMENTS, PETROLEUM PIPELINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 NOV 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974OTTAWA03598  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
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**Review Date:** 12 NOV 2002  
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30 JUN 2005

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**Review Transfer Date:**  
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**Status:** NATIVE  
**Subject:** ENERGY: SARNIA-MONTREAL PIPELINE EXTENSION  
**TAGS:** ENRG, CA  
**To:** STATE  
**Type:** TE  
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